



## Safeguard Questionnaire (Producer)

### Safeguard measures on certain steel products

#### Case: TF0006

Period of Investigation (POI):	01 January 2013 – 31 December 2017
Most Recent Period (MRP)	01 January 2018 – 30 June 2020
Deadline for response:	28 November 2020
Case team contact:	Imogen Yapp, Lead Investigator, TF0006@traderemedies.gov.uk
Completed on behalf of:	Tata Steel UK Limited

When you have completed this form, indicate the **confidentiality status** of this document by placing an X in the relevant box below:

- ☐ Confidential  
☐ Non-Confidential – will be made publicly available

Please note that you will have to provide **two copies of your response** - a **Confidential** and a **Non-Confidential version**. Both copies should be returned to TRID using the Trade Remedies Service ([www.trade-remedies.service.gov.uk](http://www.trade-remedies.service.gov.uk)).



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## The scope of this review

### Goods subject to review

The goods subject to review in this transition review are detailed in the following table<sup>1</sup>:

Product category number	Product category	Commodity codes
1	Non-Alloy and Other Alloy Hot Rolled Sheets and Strips	7208 10 00, 7208 25 00, 7208 26 00, 7208 27 00, 7208 36 00, 7208 37 00, 7208 38 00, 7208 39 00, 7208 40 00, 7208 52 10, 7208 52 99, 7208 53 10, 7208 53 90, 7208 54 00, 7211 13 00, 7211 14 00, 7211 19 00, 7212 60 00, 7225 19 10, 7225 30 10, 7225 30 30, 7225 30 90, 7225 40 15, 7225 40 90, 7226 19 10, 7226 91 20, 7226 91 91, 7226 91 99
2	Non-Alloy and Other Alloy Cold Rolled Sheets	7209 15 00, 7209 16 90, 7209 17 90, 7209 18 91, 7209 25 00, 7209 26 90, 7209 27 90, 7209 28 90, 7209 90 20, 7209 90 80, 7211 23 20, 7211 23 30, 7211 23 80, 7211 29 00, 7211 90 20, 7211 90 80, 7225 50 20, 7225 50 80, 7226 20 00, 7226 92 00
4A	Metallic Coated Sheets	TARIC Codes: 7210 41 00 20, 7210 49 00 20, 7210 61 00 20, 7210 69 00 20, 7212 30 00 20, 7212 50 61 20, 7212 50 69 20, 7225 92 00 20, 7225 99 00 11, 7225 99 00 22, 7225 99 00 45, 7225 99 00 91, 7225 99 00 92, 7226 99 30 10, 7226 99 70 11, 7226 99 70 91, 7226 99 70 94
4B	Metallic Coated Sheets	CN Codes: 7210 20 00, 7210 30 00, 7210 90 80, 7212 20 00, 7212 50 20, 7212 50 30, 7212 50 40, 7212 50 90, 7225 91 00, 7226 99 10  TARIC codes: 7210 41 00 30, 7210 41 00 80, 7210 49 00 30, 7210 49 00 80, 7210 61 00 30, 7210 61 00 80, 7210 69 00 30, 7210 69 00 80, 7212 30 00 80, 7212 50 61 30, 7212 50 61 80, 7212 50 69 30, 7212 50 69 80, 7225 92 00 80, 7225 99 00 23, 7225 99 00 41, 7225 99 00 93, 7225 99 00 95, 7226 99 30 90, 7226 99 70 19, 7226 99 70 96
5	Organic Coated Sheets	7210 70 80, 7212 40 80
6	Tin Mill products	7209 18 99, 7210 11 00, 7210 12 20, 7210 12 80, 7210 50 00, 7210 70 10, 7210 90 40, 7212 10 10, 7212 10 90, 7212 40 20
7	Non-Alloy and Other Alloy Quarto Plates	7208 51 20, 7208 51 91, 7208 51 98, 7208 52 91, 7208 90 20, 7208 90 80, 7210 90 30, 7225 40 12, 7225 40 40, 7225 40 60
12	Non-Alloy and Other Alloy Merchant Bars and Light Sections	7214 30 00, 7214 91 10, 7214 91 90, 7214 99 31, 7214 99 39, 7214 99 50, 7214 99 71, 7214 99 79, 7214 99 95, 7215 90 00, 7216 10 00, 7216 21 00, 7216 22 00, 7216 40 10, 7216 40 90, 7216 50 10, 7216 50 91, 7216 50 99, 7216 99 00, 7228 10 20, 7228 20 10, 7228 20 91, 7228 30 20, 7228 30 41, 7228 30 49, 7228 30 61, 7228 30 69, 7228 30 70, 7228 30 89, 7228 60 20, 7228 60 80, 7228 70 10, 7228 70 90, 7228 80 00
13	Rebars	7214 20 00, 7214 99 10

<sup>1</sup> Please note that the list uses the same category numbers and category names as EU Regulation 2019/159 for those goods subject to review within this Transition Review. Product categories 3, 8, 9, 10, 18, 22, and 24, will not be transitioned and are therefore excluded from the list.



14	Stainless Bars and Light Sections	7222 11 11, 7222 11 19, 7222 11 81, 7222 11 89, 7222 19 10, 7222 19 90, 7222 20 11, 7222 20 19, 7222 20 21, 7222 20 29, 7222 20 31, 7222 20 39, 7222 20 81, 7222 20 89, 7222 30 51, 7222 30 91, 7222 30 97, 7222 40 10, 7222 40 50, 7222 40 90
15	Stainless Wire Rod	7221 00 10, 7221 00 90
16	Non-Alloy and Other Alloy Wire Rod	7213 10 00, 7213 20 00, 7213 91 10, 7213 91 20, 7213 91 41, 7213 91 49, 7213 91 70, 7213 91 90, 7213 99 10, 7213 99 90, 7227 10 00, 7227 20 00, 7227 90 10, 7227 90 50, 7227 90 95
17	Angles, Shapes and Sections of Iron or Non-Alloy Steel	7216 31 10, 7216 31 90, 7216 32 11, 7216 32 19, 7216 32 91, 7216 32 99, 7216 33 10, 7216 33 90
19	Railway Material	7302 10 22, 7302 10 28, 7302 10 40, 7302 10 50, 7302 40 00
20	Gas pipes	7306 30 41, 7306 30 49, 7306 30 72, 7306 30 77
21	Hollow sections	7306 61 10, 7306 61 92, 7306 61 99
25.A	Large welded tubes	7305 11 00, 7305 12 00
25.B	Large welded tubes	7305 19 00, 7305 20 00, 7305 31 00, 7305 39 00, 7305 90 00
26	Other Welded Pipes	7306 11 10, 7306 11 90, 7306 19 10, 7306 19 90, 7306 21 00, 7306 29 00, 7306 30 11, 7306 30 19, 7306 30 80, 7306 40 20, 7306 40 80, 7306 50 20, 7306 50 80, 7306 69 10, 7306 69 90, 7306 90 00
27	Non-alloy and other alloy cold finished bars	7215 10 00, 7215 50 11, 7215 50 19, 7215 50 80, 7228 10 90, 7228 20 99, 7228 50 20, 7228 50 40, 7228 50 61, 7228 50 69, 7228 50 80
28	Non-Alloy Wire	7217 10 10, 7217 10 31, 7217 10 39, 7217 10 50, 7217 10 90, 7217 20 10, 7217 20 30, 7217 20 50, 7217 20 90, 7217 30 41, 7217 30 49, 7217 30 50, 7217 30 90, 7217 90 20, 7217 90 50, 7217 90 90

Any reference to the goods subject to review refers to the product categories and CN codes covered in the table above.

Please refer to the Notice of Initiation on the case file for the countries that are exempt from the existing safeguard measure.

## Like goods

This questionnaire asks for information about your company's production and sales of the goods which are **like** the goods subject to review. Any reference to '**like goods**' in this questionnaire refers to goods produced in the UK which are like the goods subject to review in all respects, or with characteristics closely resembling them.

## Directly competitive goods



**'Directly competitive goods'** are goods produced in the UK which are directly competitive with the goods subject to review.

This can include goods that are not only similar to the goods subject to review, such as a different type or variety, but also include goods that occupy a position of direct competition with the goods subject to review. A directly competitive good may be one that is substitutable with the goods subject to review.

**When you are completing this questionnaire, please follow the instructions for each question to provide the appropriate information regarding the like or directly competitive goods and the goods subject to review by product category.**



# Instructions

## Introduction

The Trade Remedies Investigations Directorate (TRID) of the UK's Department for International Trade will be carrying out a transition review of each trade remedy measure active under the EU system that the UK has decided to maintain after EU exit. This transition review will consider whether the existing safeguard measure is necessary to address the increase in imports and whether there would be injury to the UK industry if the measure was removed. The transition review will also consider whether the existing safeguard measure should be extended.

We are seeking your cooperation as a domestic producer to inform our review of whether the current safeguard measure should be maintained, varied, discontinued and/or extended. The information your company provides will help us to determine a fair and appropriate response.

As specified on the front page of this questionnaire, the POI covers the same period as the EU steel safeguards case (January 2013 – December 2017). The data requested in this questionnaire for the POI will be used to make a recommendation on whether the existing safeguard measure should be transitioned. The MRP covers the period following the POI (January 2018 – June 2020). The data requested in this questionnaire for the MRP will be used to make a recommendation on whether the existing safeguard measure should be reduced or extended.

Please provide all the information requested by **28 November 2020**. We may need to issue a deficiency notice if we determine that the information supplied in the questionnaire is incomplete or inadequate. We may also send a notice requesting clarification or supplementary information if necessary.

Please note that if you do not provide a confidential version and a non-confidential summary (or a statement of reasons why you cannot provide this), TRID may disregard the information you give us. The following section provides further information on what you need to do.

If you are unable to complete the questionnaire within the required time, please contact the case team ahead of the deadline using the contact details on the cover of this questionnaire. You should outline the length of extension required and the reasons why. **Due to the restricted timeframe of this transition review, the case team's ability to grant extensions is very limited.** We will notify you of our decision. If we are able to accommodate an extension, a note to explain this will be placed on the public file.

Please also contact the case team if you have any questions about your response or if you have any difficulties in completing the questionnaire. For general information about trade remedies processes, please visit the following website:



<https://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process>.

TRID investigates cases under the specific provisions in Part 9 of *The Trade Remedies (Increase in Imports Causing Serious Injury to UK Producers) (EU Exit) Regulations 2019* as amended by the *Trade Remedies (Amendment) (EU Exit) Regulations 2019* and under the *Taxation (Cross-border Trade) Act 2018*.

## Preparing confidential and non-confidential copies

You will need to submit one confidential version and one non-confidential version of your questionnaire and the corresponding spreadsheet annexes by the due date. **Please ensure that each page of information you provide is clearly marked either “Confidential” or “Non-Confidential” in the header.** It is your responsibility to ensure that the non-confidential version does not contain any confidential information.

Further information on what can be considered confidential and how to prepare a non-confidential version of this questionnaire can be found in our guidance on [how we handle confidential information](#).

All information provided to TRID in confidence will be treated accordingly and only used for this investigation (except in limited circumstance as permitted by regulation 17 of the *Trade Remedies (Increase in Imports Causing Serious Injury to UK Producers) (EU Exit) Regulations 2019*) and kept in protected systems. The non-confidential version of your submission will be placed on the public file, which is available on [www.trade-remedies.service.gov.uk/public/cases](http://www.trade-remedies.service.gov.uk/public/cases).

## Providing information from subsidiaries or associated parties

Natural persons or legal persons (i.e. companies) are associated where they meet the following definition of “related persons” in Section 128 of the *Customs (Import Duty) (EU Exit) Regulations 2018*.

Section A of this questionnaire includes detailed questions about your company structure. Although this questionnaire is intended for your company, our investigation covers all subsidiaries and any other associated companies.

- If any of your subsidiaries or associated companies are also a UK producer of like or directly competitive goods, they should **also** complete this questionnaire. Please make sure you provide your subsidiaries with access to this questionnaire.
- Where your subsidiaries or associated companies are not producers but are involved in the sales of the like or directly competitive goods, your questionnaire response should include information from those companies.





If you have any queries about this part of the process, please contact the case team using the details provided on the cover of this questionnaire.

## What happens next

Please upload your completed questionnaire responses and non-confidential versions of documents to our Trade Remedies Service at [www.trade-remedies.service.gov.uk](http://www.trade-remedies.service.gov.uk). You will receive an email confirming the documents have been uploaded successfully. Non-confidential responses will be placed on the public file and the case team will contact you if we need further information.

Once we have completed our review, we will publish our recommendation to the Secretary of State. Our final report will be published on our public file.

Further information on this process is available at:  
[www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#determinations-and-conclusion-of-investigations](http://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#determinations-and-conclusion-of-investigations).

## Verifying the information you supply

TRID will verify, as far as possible, the information provided to it. As part of this process we may conduct authentication visits. Visits can last several days, during which we will want to speak to management and staff to help establish the completeness, relevance and accuracy of the information provided. Within your response to this questionnaire, please provide all formulas and steps used in your calculations and keep a record of these and all related material/documentation to assist with any authentication visit.

If we need to verify information that you provide by visiting your premises, the Case Team will contact you.

Due to the current circumstances, it may not be possible for us to carry out authentication visits. We may carry out remote authentication instead. During remote authentication we will not visit your premises but verify your questionnaire responses remotely using audio/video calls and email exchanges. Remote authentication can be conducted over several weeks.

After authentication, TRID will prepare a report and share a draft with you. TRID will then ask you to provide a summary of the information which should be kept confidential and the reasons why. We will prepare a non-confidential authentication report for the public record.



## How to complete this questionnaire

Please read and follow all the instructions carefully. Your company is required to substantiate all claims with relevant data and information. You may be asked to attach supporting documents in appendices to supplement your responses. To assist with authentication please retain all such documents, your completed annexes and any calculations made when developing your responses.

Please also note the following points:

- Do not leave any questions blank. If the question is not relevant to your organisation, please explain why.
- If the answer to the question is "zero", "no", "none" or "not applicable", please write this rather than leaving the answer blank.
- Please complete the Excel annexes as requested. Annexes are named to correspond to the relevant sections of this questionnaire and must be completed with reference to the instructions provided. If you feel you cannot present the information as requested, please contact the case team immediately.
- If there is insufficient space in any part of the questionnaire to provide the details requested, please attach appendices. Please ensure that any attachments are given a corresponding appendix reference in the title of the document and that these are referenced in the boxes provided.
- Any documents not in English should be accompanied by an English translation.
- Please provide all dates in the format DD/MM/YYYY (e.g. 23/05/2019).
- For all numerical figures, where appropriate please express every third digit with a comma (e.g. '1,300' for one-thousand three hundred, '1,300,000' for one million and three-hundred thousand).
- Limit all sales/currency/income figures to two decimal places and use the appropriate currency symbol (e.g. £1,300.00).
- Provide all costing figures as actual amounts. Where actual amounts cannot be provided and you have reported standard costing instead, indicate this in the relevant answer and explain the variance from actual costs, if any.
- All financial figures should be reported net of tax unless otherwise stated.



## SECTION A: Company structure and operations

### A1 Identity and contact details

1. Please complete the table below ensuring that the point of contact given has the authority to provide this information:

Legal name of company:	Tata Steel UK Limited
Legal structure (e.g. limited company, sole trader, partnership etc.)	Private Limited Company
Year of establishment:	26/07/1988
Other operating names:	-
Company registration number:	02280000
Place of registration:	London
Name (point of contact):	[Personal details redacted]
Position:	[Personal details redacted]
Address:	30 Millbank London SW1P 4WY
Telephone No.:	[Personal details redacted]
Email:	[Personal details redacted]
Website:	<a href="http://www.tatasteeleurope.com">www.tatasteeleurope.com</a>

### A2 Company information

1. Describe the role of your company in the UK market for the like or directly competitive goods (e.g. producer, producer/exporter, producer/importer or producer/distributor).

Tata Steel UK Limited (TSUK) is the UK's largest steel producer, with 8,500 employees, producing more than 3 million tonnes/year of steel at its Port Talbot works. TSUK manufactures a number of the goods subject to review at Port Talbot and at other sites across the UK including at Shotton, Trostre, Newport, and Corby. This is supported by a distribution business with service centre sites across the UK and Ireland.

Appendix reference:

Please answer questions 2 to 4 below about the internal structure of your company and any associations with other companies. Natural persons or legal persons (i.e.



companies) are associated where they meet the following definition of “related persons” in Section 128 of the *Customs (Import Duty) (EU Exit) Regulations 2018*.

2. Please explain, or demonstrate in a diagram, the legal structure of your company showing the internal hierarchical and organisational structure and all sites/locations involved in the production, sales and distribution of the like or directly competitive goods for domestic and export markets. Clearly indicate the different production stages performed by your company.

A diagram outlining the current organisational and simplified legal structure are attached (Appendix A2-2.1, A2-2.2).

Tata Steel UK Limited (TSUK) is part of the Tata Steel Europe (TSE) Group. The bulk of TSE’s manufacturing and sales activities are in Europe. More details can be found on the website <http://www.tatasteeleurope.com/en/>.

The current operating model of TSE focuses on a single sales and marketing team (managed on an end-use market sector basis e.g. automotive, construction, engineering etc.), two operating hubs, a supply chain function organisation, integrated businesses and pan-Europe support functions (including R&D).

Key business units relevant to this review :

- Strip Products UK - Steelmaking and processing mills at Port Talbot producing hot rolled and cold rolled coil; galvanising and pickling lines in Llanwern, Newport.
- Colors - Galvanised metallic and pre-finished (organic coated) steel at Shotton in North Wales.
- Packaging steel - Tinsplate and other packaging steels at Trostre near Llanelli in South Wales.
- Tubes - Wide variety of steel tubes are manufactured at Corby in the English East Midlands and Hartlepool on Teesside.
- Distribution UK & Ireland - UK’s leading distributor of processed coil & sheet products with an extensive network of UK & Irish locations

Appendix reference: [A2-2.1](#), [A2-2.2](#)

3. Are you a parent company or a subsidiary?
- If you are the parent company, please complete question 4 to provide information on all subsidiaries and send a copy of this questionnaire to all subsidiaries for completion. Submit the subsidiary questionnaire(s) alongside yours.
  - If you are the subsidiary, please complete question 4 providing as much information as possible and send a copy of this questionnaire to your parent company. Submit the parent company questionnaire alongside yours.

Tata Steel UK Limited (TSUK) is part of the Tata Steel Europe (TSE) Group.



Appendix reference:

4. Please provide the following information by completing **Annex 1 – Associated companies**:

- Include your company's worldwide corporate structure and affiliations, including parent companies, subsidiaries and/or other associated companies.
- If your company is the subsidiary of another company, please give the name of this company, as well as that of your company's ultimate controlling entity, their registration number(s) and place(s) of registration.
- Please provide the address of the company.
- Please list the activities carried out by the company (e.g. manufacturing, administration, sales).
- Indicate the shareholdings you have in the associated company and the shareholdings that the associated company has in your company.

Please refer to Annex 1.

Appendix reference:

5. Please provide details of any changes in the legal form of your business over the past 5 years, for example, mergers, acquisitions and/or sales.

There have been no such changes.

Date	Legal form	Explanation of change
n/a		

+Add additional rows as required

6. State whether your company is a member of a representative organisation, e.g. industry associations.

The trade association of most relevance to this investigation for TSUK is UK Steel, the trade association that represents the UK steel sector.

Appendix reference:

## A3 Board members and principal shareholders

1. Please complete **Annex 2 – Shareholdings**, providing a list of all your company's shareholders that owned more than 5% of its shares during the POI. Where known, provide details of their activities. Also include, for the last five years:

- your company's registered capital;
- the scope of business; and
- the composition of the Board of Directors and/or shareholders, including their roles and rights.



Please provide this information for your company and all its predecessor legal entities.

Please refer to Annex 2.

Appendix reference:

2. If applicable to your company, please attach the latest copy of the following documents (in the original language and in English):
  - articles of association and all related documents;
  - business licence; and
  - proof of registration of the company with the competent authorities.

Please describe what you are submitting and provide appendix references for your attachments in the box below. Earlier copies from the date of establishment of the company until the present should be available upon request during the authentication process.

Articles of association for Tata Steel UK Limited and certificate of incorporation (Col) are attached (Col includes historical name changes).

Appendix reference: A3-2.1, A3-2.2

## A4 Operational links with other companies or persons

1. Please indicate if your company has established long-term agreements with any companies located in the UK or in third countries for the production (e.g. subcontracting), supply and sale of the like or directly competitive goods, or other licensing, technical patent or compensatory agreements. Include:
  - the name and address of the company; and
  - an explanation of the nature of the agreement.

TSUK's only contractual links are normal commercial agreements with customers for the supply and sale of the product in question. There are no relevant operational links.

Company name and address	Nature of agreement
n/a	

+Add additional rows as required

## A5 Accounting practices

1. Please give the financial year convention your company uses for its accounts (e.g. 1 January – 31 December). If any changes have occurred with respect to



your financial year convention or in your accounting practices over the POI and MRP, please describe these changes.

The Company accounting reference date is 31 March, and therefore financial accounts are prepared for the period 1 April – 31 March. No changes have occurred during the period of the response.

Appendix reference:

2. Please confirm what basis your accounts are prepared under, i.e. local GAAP, IFRS etc.

Tata Steel UK Limited accounts are prepared under FRS101, which is consistent with EU adopted IFRS.

Appendix reference:

3. For your company and any associated parties involved in the production, marketing or sales of your goods, please attach a copy of your annual reports for the financial period that covers the POI and MRP. This should include a statement of financial position; statement of profit and loss and other comprehensive income; statement of changes in equity; cash flow statement; notes to the accounts and all reports; and auditor's opinion on these documents.

Audited financial statements are presented for Tata Steel UK Limited, the lowest level at which audited financial statements are prepared incorporating the financial results of TS business units manufacturing the like goods. Audited financial statements are presented for the financial periods ending 31st March 2013, 2014, 2015, 2016, 2017, 2018, 2019 and 2020.

Appendix reference: A5-3.1, A5-3.2, A5-3.3, A5-3.4, A5-3.5, A5-3.6, A5-3.7, A5-3.8.

4. If your accounts are unaudited, please attach a copy of your unaudited financial statements and corresponding tax returns for the POI and MRP.

Please refer to A5-3 above.

Appendix reference:

5. Please attach a copy of your company's trial balance (in a spreadsheet) covering the POI and MRP. This includes:
- the trial balance which covers the full financial years from January to December for 2013, 2014, 2015, 2016, 2017, 2018, 2019; and
  - the trial balance which covers the beginning of the financial year to the 1<sup>st</sup> July 2020.





A full Income Statement & Balance Sheets for TSUK have been presented for the period of review. This information is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary of the contents of this document without revealing sensitive information.

Appendix reference:

6. For your company and any associated parties involved in the production, marketing or sales of the like or directly competitive goods, please attach copies of relevant management accounts and associated reports (e.g. profit and loss statement) for the profit centre of the like or directly competitive goods. Please provide these reports for the POI and MRP.

Management accounts are not prepared that are specific to the like products.

Appendix reference:

7. If your company is part of a group of companies, please also attach a copy of the consolidated accounts of the group for the POI and MRP.

Consolidated audited financial statements are presented for Tata Steel Europe Limited for the financial periods ending 31st March 2018, 2019 and 2020. Audited accounts for earlier financial periods ending can be accessed via [Tata Steel Annual Reports](#)

Appendix reference: A5-7.1, A5-7.2, A5-7.3.

8. Please provide a detailed description, including the name(s) of the systems, of your financial accounting system explaining how sub ledgers (e.g. costing, debtors, creditors) integrate with the general ledger. Please provide a description of how it links to the management accounting system, including any manual interventions. Please also attach:
- your company's chart of accounts;
  - your company's cost centres; and
  - a brief description of further analysis codes available.

This information is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.

Appendix reference:

9. If the accounting policies used by your company have changed over the POI and MRP, please explain the changes, including dates and reasons for them.





There have been no changes to accounting policies, other than changes relating to adoption of new or updated accounting standards.

Appendix reference:



## SECTION B: About your goods

### B1 Your company's products

In this section, you will be asked to provide details for your like or directly competitive goods and the goods subject to review. **Please always refer to the corresponding product categories** which your like or directly competitive goods and the goods subject to review fall within.

The goods covered by this review are defined on pages 1 and 2.

1. Please comment on the scope of the review. If you consider that any product categories and/or custom codes should be added or removed, please explain the reasons why. Provide information about UK production, UK demand and UK imports for these product categories and/or custom codes. Substantiate with evidence.

TSUK supports the proposal by UK Steel to remove 'Aluminised Steel - 72 10 69 00 30' from the safeguards list of products covered (currently included under Category 4B). There are no further comments on the scope of measures and product categorisation.

Appendix reference:

2. Please complete **Annex 3 – Goods**, indicating the like or directly competitive goods you produced during the POI by product category. Provide details for each product category and the comparable goods subject to review. Please specify any differences between them.

Where possible, provide estimations of how prices of the goods subject to review imported into the UK compare to each of your like or directly competitive goods and reasons for the price differences. In the box below, describe how you established the differences and substantiate with evidence.

Technical documentation (such as sales catalogues, safety standards, technical data, etc.) should be attached for each product category where available.

Please refer to Annex 3. The like products are produced and sold in a range of different grades, thicknesses and widths. The like products supplied by TSUK are comparable with the imports under review. Customers will specify their requirements in terms of industry specifications which determine chemical composition and physical characteristics. Technical documentation for the like products can be downloaded from <https://www.tatasteeleurope.com/ts/download>



Appendix reference:

3. Are the like or directly competitive goods comparable in non-price factors (including product quality, lead and delivery times, reliability of supply etc.) to the imported goods subject to review? Provide this information for each of the like or directly competitive goods produced by your company and the comparable good subject to review and substantiate with evidence.

The like goods produced by TSUK are directly comparable to the imported goods. All material offered for sale into the UK market was prime quality material, identical to TSUK products with the quality specifications matching those available from TSUK. For some non-price factors, such as delivery times and reliability of supply, as a domestic producer, TSUK may have some advantages over imports. This may be important for some applications, but in general, price is the major determinant.

Appendix reference:

4. Explain the internal coding system your company uses to classify your range of like or directly competitive goods. If your company uses multiple internal reference codes across departments, cross-reference each one.

This information is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.

Appendix reference: B1-4

5. Please provide a written summary and, if available, a diagram/flow chart, of your production process for each of the like or directly competitive goods that you produce in the UK.

This information is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.

Appendix reference: B1-5

6. Identify what parts of your production process take place in the UK. Explain the level of complexity of the manufacturing process and the investment of capital involved. Substantiate with evidence.

All of the production process for TSUK takes place in the UK. All products described take place in the UK.

Information on investments is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information. .



Appendix reference:

7. What is your pricing strategy of the like or directly competitive goods produced by your company in the UK? Provide this information for each of the like or directly competitive goods produced by your company and substantiate with evidence.

This information is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.

Appendix reference: B1-7

8. How does your company market (i.e. encourage sales of) the like or directly competitive goods? Are you aware of whether similar methods are used for the goods subject to review? Substantiate with evidence.

Products are sold either directly to end users of these steel products or via distributors known as steel Service Centres, who cut the steel products supplied in wide coil form or in bundles in the case of tubes. The majority of sales are undertaken via a Business to Business direct selling model. Sales are also made through our own service centre that processes (cut to length steel sheets, slit coils and pre shaped steel blanks) steel for smaller end users.

Appendix reference:

9. Please list your inputs (e.g. raw materials) in **Annex 4 – Inputs**, indicating the country of origin and whether they are imported or domestically sourced, that are used in the production of the like or directly competitive goods. Estimate the input's average share of your total production costs for each category.

In the box below, describe how they are included in the manufacture of your company's products.

In our steel making process we buy coal for coking, iron ore in various forms, limestone, alloys, finishes and fluxes, coating materials, natural gas and electricity as our input materials. Detailed information on these inputs is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.

Appendix reference:

10. If your company is vertically integrated, or some of the inputs (e.g. raw materials) used in the production of the like or directly competitive goods are produced by an associated party, provide details of this arrangement and attach documentation demonstrating any agreements you have.



This information is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.

Appendix reference:

11. If you purchase inputs from associated parties, provide evidence on whether the price used for these transactions are representative of a fair market price? Provide this information for each of the like or directly competitive goods produced by your company.

This information is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.

Appendix reference: B1-11

12. Please provide the names and legal addresses of other UK producers of the like or directly competitive goods that you know of.

Company name	Legal address
British Steel plc	Brigg Road, Scunthorpe, North Lincolnshire DN16 1BP
Liberty Steel Group	7 Hertford Street London W1J 7RH
Celsa Steel (UK) Ltd.	East Moors Road, Cardiff CF24 5NN

+Add additional rows as required

## B2 Understanding the UK market

Answers should refer to the relevant product categories.

1. Do you regard the like or directly competitive goods to be an intermediate and/or final good?

The like goods are considered as final steel products, used in a wide variety of end-use applications.



Appendix reference:

2. Please explain the end use of your like or directly competitive goods and the comparable goods subject to review in the UK market. If there are multiple uses list them and, where possible, estimate what proportion of your sales each represents.

The like goods are used in wide variety of different end-use applications, with the products manufactured by TSUK providing a vital foundation for many of the UK's key strategic supply chains, including the automotive and construction industries.

Key sectors for TSUK are Automotive, construction and packaging which together represent some 75% of sales.

Automotive represents approx. 35% of sales (by revenue), with TSUK supplying almost 50% of UK carmakers' steel requirements – including body panels, chassis components and wheels. The company supplies high- value automotive steels to manufacturers like BMW, Nissan and Jaguar Land Rover in the UK, as well as to customers in mainland Europe and elsewhere.

Construction represents c. 30% of sales. TSUK supplies a range of advanced steels for the construction industry, including insulated panels, facades, structural roof and floor decking and pre-finished steel products for wall and roof cladding systems

Packaging represents c.10% of sales. TSUK supplies steel worldwide to manufacturers of food and beverage cans, as well as paint and aerosols containers.

Appendix reference:
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3. Who are the general users/consumers/customers of the like or directly competitive goods in the UK market? Please comment on whether this is the same/different for the goods subject to review.

Sales of the like products are made to a wide range of steel end users (the producer of finished goods that consume these steel products), or to intermediate service centres that further process the material or simply redistribute smaller quantities ex-stock. This is the same for the goods subject to review .

Appendix reference:
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4. Have there been any changes to the pricing of the like or directly competitive goods in the UK market in the last four years caused by factors other than raw material costs?



TSUK's detailed assessment of UK market dynamics is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.

See UK Steel response for further information.

Appendix reference: B1-7

5. Please comment on the degree of price sensitivity of the like or directly competitive goods and the goods subject to review in the UK market and the reasons for this?

TSUK's detailed assessment of UK market dynamics is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.

Appendix reference: B1-7

6. What distribution methods (i.e. sales channels) are used by your company for the like or directly competitive goods? Comment, if known, whether this is similar for the goods subject to review.

Sales are made either to the steel end user (the producer of finished goods that consume these steel products), or to intermediated service centres that cut the supplied steel products to length, slit the steel coils from wide to narrow coils or simply redistribute smaller quantities ex-stock. This is the same for the goods subject to review.

Appendix reference:

7. Please describe the nature of competition within the UK market (e.g. how many businesses are in the market, is the market highly price competitive?).

The UK market is highly competitive with a broad array of competitors. Hot rolled coil is the basic product feeding all products described here. Hot rolled coil is readily available from multiple exporters including neighbouring EU countries as well as supply from Tata Steel and Liberty Steel in the UK. Both of these manufacturers produce tube products in the UK. All other products are available from Tata Steel in the UK and from a wide variety of import sources.

Appendix reference:

8. Please describe the degree of competition between the goods subject to review and the like or directly competitive goods in the UK market?



The like goods produced by TSUK are directly comparable to the imported goods. There is a high degree of competition between the goods subject to review and those produced by TSUK.

See UK Steel response for further information.

Appendix reference:

9. Please outline the trends and drivers of demand in the UK market for the like or directly competitive goods and the goods subject to review, including causes of demand fluctuations and any factors contributing to overall market growth or decline (e.g. user preferences, government policy, macroeconomic conditions)?

In the short-term horizon steel demand is directly proportional to sector related economic output most specifically in the construction, automotive and general manufacturing sectors. Supply chain stocks rise and fall in line with prevailing market confidence and this leads to short term deviations from this underlying market demand.

Economic output in the UK in each of these sectors is heavily dependent on post Brexit market demand levels, the existence or otherwise of free trade deals with the EU and other trading partners, the pace of economic recovery following COVID related economic disruption and governmental policy that supports or otherwise the attractiveness of investment in manufacturing in the UK.

Appendix reference:

10. Have there been any changes in the patterns of consumption of the like or directly competitive goods in the POI and MRP in the UK market? Please elaborate.

In the automotive market OEM customers have been responding to changes in the regulatory environment for vehicle emissions. Over the last 2-3 years vehicle sales has reduced in Europe and this has negatively impacted UK steel demand for Metallic coated sheet.

During the COVID period demand for consumer goods and tinned food has significantly increased creating an additional draw on demand for tin mill products. In most other product areas demand has generally followed long term growth trends (subject to recent COVID impact).

Appendix reference:

11. Is there any government regulation that has implications for the like or directly competitive goods produced by your company (e.g. regulatory costs)?





Operating in the UK, TSUK is subject to a number of additional regulatory costs (e.g. EU ETS, REACH, Environmental Permitting Regulations) which non-EU producers in particular do not face.

Appendix reference:

12. Please comment on whether there have been developments or changes in technology that have affected the UK market for the like or directly competitive goods in the POI and MRP?

There have not been any significant changes in technology.

Appendix reference:

13. Please describe whether the market is segmented, where consumers are divided into groups based on specific characteristics. Does market segmentation in downstream markets cause the prices of the like or directly competitive goods and the goods subject to review to vary?

This information is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.

Appendix reference:

14. Please describe the current state and forecasts of the UK and world markets for the like or directly competitive goods and goods subject to review. Substantiate your comments with any documents, such as studies or articles in trade journals, that support your statement.

The onset of the COVID-19 pandemic dramatically impacted the already challenging steel market situation. Apparent steel consumption in the EU fell by almost 26% year-on-year in the second quarter of 2020, after a 12 % drop in the first quarter. This was the most severe drop in EU steel consumption ever recorded. Uncertainty remains widespread and the economic and industrial recovery appears very fragile. Market conditions are not expected to improve before early 2021.

However, if and when the economy returns to normal conditions, all the downside risks that had considerably weakened steel-using sectors and steel demand during 2019 will still be there, namely import distortions and continued global overcapacity and weakness in the global manufacturing cycle. The UK faces the additional uncertainty of Brexit.

A copy of the most recent Eurofer Economic Report is attached as Appendix B2-14.

Appendix reference: B2-14



15. Provide any other information about the UK market for the like or directly competitive goods and the goods subject to review that may be relevant for this review?

Steel producers in the UK should not be put at a competitive disadvantage to those in the EU. TSUK therefore welcomes the UK putting in place its own safeguard measures from 1 January 2021 mirroring those of the EU, pending the outcome of this transition review. TSUK also supports these measures being maintained and extended beyond the end of June 2021. If not there is a high risk that the UK steel industry will be swamped by high volumes of deflected steel imports after June 2021.

The conditions that led the EC to impose the safeguards in the first place are still present today, including increasing protection of third country markets, massive global excess capacity fuelled by state subsidies, exacerbated by trade diversion due to US S232 tariffs. Indeed, the conditions have substantially worsened due to the negative impact of the COVID-19 crisis on global markets. TSUK and other UK steel producers have been undertaking restructuring and adjustment measures, but these efforts have been disrupted by the current crisis. The safeguard measures are the only protection that the UK industry has against a fresh surge of imports. Should these measures be lifted or not extended, the likely massive deflection of global steel exports to the UK market will cause serious injury to the recovering, but still vulnerable, industry. TSUK therefore supports the extension of measures for a further period of 3 years. In our view the existing measures should also be adjusted and their management modified to be made more effective and better reflect the reduced demand situation.

Appendix reference:



## SECTION C: Increase in imports

### C1 Imports

1. To transition the existing safeguard measure, there must be sufficient evidence of increased imports and/or likelihood of increased imports of the goods subject to review as a result of unforeseen developments. Please comment and provide evidence on circumstances that have led and/or were likely to lead to an increase in imports of the goods subject to review to the UK in the POI. Include an explanation of whether these circumstances were or were not foreseeable.

Please see UK Steel response.

Appendix reference:

2. Please comment on how imports have developed during the MRP?

Please see UK Steel response.

Appendix reference:

3. Please comment on the likelihood of the recurrence of an increase in imports if the existing safeguard measure were:
  - i) continued; or
  - ii) discontinued.
 Please substantiate with evidence.

If the existing measures were continued this would prevent a damaging surge in import volumes into the UK. However, the existing measures are based on historic import flows from 2015-17, when market demand was significantly higher than it is now. However, when set against current depressed post-Covid levels of demand, which are set to continue for some time, the existing safeguard measures would enable imports to take a significantly increased market share, thereby undermining the purpose of the safeguard measures and risking injury to UK steel producers. In our view the existing measures should therefore be adjusted and their management modified to be made more effective and better reflect the reduced demand situation.

If the measures were discontinued there is a high risk that the UK will suffer a surge in steel imports after June 2021. The conditions that led the EC to impose the safeguards in the first place are still present today, including increasing protection of third country markets, massive global excess capacity fuelled by state subsidies, exacerbated by trade diversion due to US S232 tariffs. Indeed, the conditions have



substantially worsened due to the negative impact of the COVID-19 crisis on global markets. .

Appendix reference:



## SECTION D: Costs and sales

### D1 Cost to make and sell

1. Please report your production and selling costs by completing **Annex 5 – Cost to make and sell**. All values entered in the table should be totals for each year within the POI and MRP by product category.
  - Please provide costs to make and sell for:
    - i) the whole company;
    - ii) each product other than the like or directly competitive goods that you produce; and
    - iii) all like or directly competitive goods that you produce by product category.
  - For each of the like or directly competitive goods that you produce, clearly separate your costs to make (direct manufacturing costs and indirect costs) from your costs to sell (administrative, selling and general (AS&G) expenses).
  - All figures should be reported net of tax.

Please refer to Annex 5 which provides an overview. Information on individual product category costs is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.

Appendix reference:

2. Please explain the cost of production allocation method for each of the like or directly competitive goods produced by your company. If you have been unable to allocate some costs, please specify this and explain whether an alternative methodology has been used.

This information is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.

Appendix reference:

2. Please explain the allocation method for selling costs for each of the like or directly competitive goods produced by your company. If you have been unable to allocate some costs, please specify this and explain whether an alternative methodology has been used.

This information is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.



Appendix reference:

## D2 Sales value and volume

1. Please provide the sales value and volume information for your company in **Annex 6 – Sales** for the POI and MRP.

- Please provide the sales value and volume for
  - i) the whole company;
  - ii) each product other than the like or directly competitive goods that you produce, and
  - iii) all like or directly competitive goods that you produce by product category.
- These should include all your domestic sales of the like or directly competitive goods for the POI and MRP. Include goods that you have produced and goods that you have purchased and resold.
- Please differentiate sales to associated parties.
- Please ensure that you correctly categorise each sale by product category (a table is provided for each like or directly competitive good).
- To determine which sales fall within the POI and MRP, the invoice date should be used as the date of sale. If you are unable to use an invoice date, please contact the Case Team.

Please refer to Annex 6.

Appendix reference:

2. Please provide a list of associated customers for the goods. Explain the nature of the association and any effect it has on the terms of sale to that customer.

This information is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.

Appendix reference:

3. Please provide details of your distribution network for the goods, if you have one. Do your sales usually include delivery? How do you calculate delivery costs and prices? Does this vary between customers?

TSUK operates an extensive distribution network with a number of sites across the UK and Ireland. In general sales are made on a delivered basis.

Appendix reference:

4. Where possible, provide copies of price lists for the like or directly competitive goods for the POI and MRP. Explain any changes to the price lists over the POI and MRP.



There are no general price lists published for the like goods.

Appendix reference:

### D3 Captive sales

1. Please provide information on captive sales in **Annex 7 – Captive sales** for the POI and MRP detailing your company's individual transfers of the finished like or directly competitive goods for internal or captive use.

This information is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.

Appendix reference:

2. Please comment on whether your captive use of the like or directly competitive goods has changed over time and what has caused the changes. Differentiate between the POI and MRP. Please attach evidence to support your answer where required.

Please refer to D3-1 above.

Appendix reference:

### D4 Purchases of the goods subject to review

2. Complete **Annex 8 – Purchases** to report your total annual purchases of the goods subject to review for the POI and MRP. Provide the data for each product category. All figures should be reported net of tax.

There are no purchases relevant to this investigation.

Appendix reference:

3. Describe how these purchases fit into your business model. Please attach copies of any agreements or contracts that you have relating to your purchases of the goods subject to review.

Not applicable.

Appendix reference:

4. Where possible, provide copies of price lists for the goods subject to review for the POI and MRP. Explain any changes to the price lists over the POI and MRP.



There are no general price lists published for the like goods.

Appendix reference:





## SECTION E: Serious injury

**The relevant annexes for this section are Annexes 9 and 10. In Section E information should be provided for each of your like or directly competitive goods. Please substantiate all injury data with evidence.**

The data requested in this section covers the POI and the MRP, as specified on the front page. The data for the POI will be used to make a recommendation on whether the existing safeguard measure should be transitioned. The data for the MRP will be used to make a recommendation on whether the existing safeguard measure should be extended.

### E1 Serious injury

This review will assess serious injury caused by increased imports of the goods subject to review if the safeguard measure were not transitioned. Serious injury means a significant overall impairment to your position or the threat of such impairment. Please provide comments in the boxes below and substantiate with evidence.

1. Is your business suffering from serious injury, i.e. (i) a significant overall impairment to your position, or (ii) the threat of such impairment? If so, please describe the nature and degree of the injury. This can relate to prices, volumes or profits associated with your production and sales of the like or directly competitive goods, or to wider aspects of your business. Please specify and substantiate your claims with evidence.

Note that if threat of such impairment has been alleged, we need to examine how imminent the threat of the situation is in developing into actual serious injury. Include why the threat of such impairment is clearly imminent.

TSUK has suffered serious injury from imports of the like products stretching back many years. High volumes of low-priced and unfairly traded imports have had a widespread corrosive effect on TSUK.

More recently, the S232 measures in the US, and other similar protectionist actions taken by other countries, risked a significant diversion of trade towards the EU/UK which was (and still is) an attractive, open market. The safeguard measures brought in by the EC in 2018 helped prevent a further injurious surge in import levels, whilst ensuring traditional trade flows can continue. These measures have helped maintain fair competition, allowing an already difficult market to continue its recovery.

Appendix reference:



2. Would your business suffer from serious injury if the existing safeguard measure on the goods subject to review were:

- i) continued; or
- ii) discontinued.

If so, please describe the nature and the degree of the injury and provide supporting evidence.

The existing safeguard measures have prevented an injurious further surge in imports due to trade diversion from the US and elsewhere, thus helping to restore and maintain fair competition in difficult market conditions. If the measures were continued this would prevent a renewed surge in imports, providing vital breathing space for UK producers like TSUK to continue their recovery. In our view the existing measures should also be adjusted and their management modified to be made more effective and better reflect the reduced demand situation.

If the safeguard measures were discontinued, there is a strong likelihood that there would be a renewed surge in imports. There is an increased risk that uneconomic pricing decisions will be made by those seeking to export the like goods into the UK greatly reducing financial returns on the product in question, to a point where it may become unsustainable for TSUK who will be forced to further curtail production, close lines and reduce employment. UK end-user industries will lose local, reliable sources of supply and become more reliant on distant, third country suppliers, who will be unable to offer the same level of service and technical support as a local UK supplier.

It should also be taken into account that in a context of global overcapacity, significant trade restrictions on steel products will remain in place in other major markets, notably the USA, while the EU safeguards could also be continued beyond their current expiry of end-June 2021. Therefore, were the UK measures to be terminated, a trade diversion towards the UK market would be expected. For TSUK these extra volumes at low prices would have dramatic consequences on already low capacity utilisation rates and a difficult profit situation.

If measures are not continued, it will also make the environment around which investment decisions are made far more risky than would otherwise be the case. This may result in the postponement or cancellation of investment plans that would otherwise improve the competitive position of the company, and the possible deferment of R&D expenditure in new or improved products, that would benefit both Union producers and end-users. This will have a number of adverse impacts: firstly, production may move offshore to lower-risk locations; secondly, UK consumers will lose the competitive benefits gained from technical advancements and will lose ground to third country competitors as a result; thirdly, if TSUK is unable to sustain investment in R&D this will result in the loss of well paid, highly skilled jobs, and a significant reduction in the knowledge economy so important to the longer-term competitive position of the UK.

Please refer also to UK Steel submission.



Appendix reference:

3. If available, please submit any information concerning global export capacities, at this time and for the foreseeable future. Please also comment on the likelihood that this capacity will be exported to the UK. Please substantiate any claims with evidence.

The world steel market continues to suffer from significant excess capacity, much of it fuelled by unfair state support. Under the auspices of the G20, in December 2016 major steel producing economies, including the US, China and the EU joined forces to create the Global Forum on Steel Excess Capacity to identify and track the underlying causes of steel overcapacity and to define concrete actions to address the problems. The UK - both government and industry - has been an active participant. The Forum estimates that global excess capacity is going to increase significantly this year, to a level of at least 606 million tonnes, equivalent to three times the EU's total steelmaking capacity. This excess capacity is likely to remain high for the foreseeable future with yet again a damaging impact on the steel sector, as well as related industries and jobs.

As has been well documented, much of this excess capacity is in China, which has been one of the main focus points of the Forum, such that China has now disengaged from the Forum. However, China is not alone. Turkey is another producer country of particular concern for the UK. Turkish steel producers are continuing to increase their production capacity fuelled by subsidies offered by the Turkish government. Turkish steel capacity has increased well in excess of the development in local demand. Given that Turkish exporters are already well established in the UK with a strong market presence there is a very high risk that without appropriate safeguard measures in place, excess steel capacity in Turkey will be exported to the UK. This is a particular risk for Product 1 HR coil, where the EU is expected to impose provisional antidumping measures vs imports from Turkey in early 2021. These measures would not apply in the UK, making it especially vulnerable to increased trade diversion.

Please refer also to the submission from UK Steel.

Appendix reference:

## E2 Likelihood of serious injury

This review will assess the likelihood of serious injury caused by increased imports of the goods subject to review if the existing safeguard measure were not extended. Please provide your comments in the boxes below and substantiate with evidence.

1. Please explain whether there is a likelihood of recurrence of serious injury if the existing safeguard measure on the goods subject to review were:
  - i) continued; or



ii) discontinued.

Provide supporting evidence to substantiate your claims.

The existing safeguard measures have prevented an injurious further surge in imports due to trade diversion from the US and elsewhere, thus helping to restore and maintain fair competition in difficult market conditions. Continuing the measures would enable this to be maintained, preventing further serious injury. In our view the existing measures should therefore be adjusted, and their management modified to be made more effective and better reflect the reduced demand situation.

If the safeguard measures were discontinued, there is a strong likelihood that there would be a recurrence of serious injury. There would be a renewed surge in imports which would put pressure on prices to the extent it may become unsustainable for TSUK.

Please refer also to section E1 above and the submission from UK Steel.

Appendix reference:

### E3 Production and production capacity

1. Please provide the production volume, production capacity and capacity utilisation for each of the like or directly competitive goods produced by your company in **Annex 9 – Injury** for the POI and MRP. Describe the method used to calculate production capacity (e.g. number of shifts, working days per year, name plate versus actual capacity, idle time for machinery maintenance and changes in the production process etc.) and capacity utilisation.

Please refer to Annex 9. Production capacities provided are the most reasonable estimates of the maximum amount of that product we could make and sell.

Appendix reference:

2. Indicate what products are produced on the same equipment and whether production can be switched to other products.

In general, no other products are produced on the same production equipment. Exceptions include galvanised 4A/4B which are produced on a shared facility, and some tubes where there is some slight cross over between mills.

Appendix reference:

3. Please explain the allocation method used for production capacity and substantiate with evidence.



This information is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.

Appendix reference:

4. Please explain the cause(s) of any changes in your production volume, production capacity and capacity utilisation and substantiate with evidence.

This information is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.

Appendix reference:

5. How would your production volume, production capacity and capacity utilisation for the like or directly competitive goods be affected if the existing safeguard measure on the goods subject to review were:

- i) continued; or
- ii) discontinued.

Please describe the nature of any changes and substantiate with evidence.

If the measures were continued, preventing a further surge in imports, this would help TSUK to maintain and build on current production and capacity utilisation levels.

If the measures were discontinued, production volume and capacity utilisation would be expected to decline as TSUK would face having to cut output due to the injurious effects of a renewed surge in low-priced imports of like goods that would result if measures were ended.

Appendix reference:

## E4 Employment

1. Please provide the average number of employees in full-time equivalent roles (part-time employees should be included in the full-time equivalent) for each of the like or directly competitive goods in **Annex 9 – Injury** for the POI and MRP. This number should be broken down for the employees involved in the production, administration & management, and distribution & sales of the like or directly competitive goods. Please include contract labour (temporary workers).

Please also provide employment figures for your company as a whole.

Please provide annual median wage figures for all your company's sites/facilities involved in the production of the like or directly competitive goods.

2. Please explain the allocation method used for employment and substantiate with evidence. Also specify how many of these employees work on other products if production is switched over.



Please refer to Annex 9. Employment numbers are provided at a Total TSUK level.

Appendix reference:

3. Please explain the cause(s) of any changes regarding the employment number and median wages and substantiate with evidence.

Employment numbers have been reduced by TSUK over the period of review as part of efforts to reduce costs. Total headcount reduced from near 13,000 in 2013 to c. 8,500 by 2019.

Appendix reference:

4. How would your employment and wages be affected if the existing safeguard measure on the goods subject to review were:
- i) continued; or
  - ii) discontinued.

Please describe the nature of any changes and substantiate with evidence.

TSUK provides well paid, skilled jobs in economically disadvantaged areas. Average wages in Tata are well above the national wage levels, and are even higher locally.

If the measures were continued, this would help to ensure TSUK is able to retain as many of these important jobs as possible.

Conversely, if the measures were discontinued, these wages and the jobs themselves would be put under pressure as TSUK would be at risk from a surge in low-priced imports of like goods.

Appendix reference:

## E5 Productivity

1. Please provide the productivity for each of the like or directly competitive goods manufactured by your company in **Annex 9 – Injury** for the POI and MRP. This should be provided as the average output in volume per employee for the like or directly competitive goods.

Please explain the cause(s) of any changes and substantiate with evidence.

Please refer to Annex 9. Productivity numbers are provided at a Total TSUK level.

Appendix reference:

2. How would your productivity for the like or directly competitive goods be affected if the existing safeguard measure on the goods subject to review were:



- i) continued; or
- ii) discontinued.

Please describe the nature of any changes and substantiate with evidence.

TSUK has been able to improve its general productivity levels, despite difficult market conditions. If the measures were continued, this would help TSUK to maintain and continue to build upon its improvements in productivity.

Conversely, if the measures were discontinued, productivity would be expected to decline as TSUK could be forced to cut output in the face of a surge in low-priced imports of like goods.

Appendix reference:

## E6 Profitability

1. Please provide the profit before tax for sales for each of the like or directly competitive goods sold in the UK and the rest of the world in **Annex 9 – Injury** for the POI and MRP.

Specify how you have calculated profit. Please explain the allocation method used for profit and substantiate with evidence.

Please refer to Annex 9.

Appendix reference:

2. Please explain the cause(s) of any changes in the profitability of your like or directly competitive goods and substantiate with evidence.

This information is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.

Appendix reference:

3. How would your profitability of the like or directly competitive goods be affected if the existing safeguard measure on the goods subject to review were:

- i) continued; or
- ii) discontinued.

Please describe the nature of any changes and substantiate with evidence.

If the measures were continued, by preventing a further surge in low-priced injurious imports, this would provide the vital breathing space to enable TSUK's profitability to recover.





If the existing safeguard measures were discontinued, the level of profit would decline if sales prices are forced down to uneconomic levels due to a surge in imports of low-priced imports from the countries concerned.

Please also refer to sections E1 and E2 above and to the response from UK Steel that shows how imports would increase without measures and for the need to modify the existing measures to be more effective and better reflect the reduced demand situation.

Appendix reference:

4. For each like or directly competitive good, please provide what level of profit before tax, as a percentage of turnover, your company would expect to generate for sales in the UK only in the absence of the increase in imports and explain how you arrived at this figure.

In its trade remedies investigations, the EU Commission applies a minimum profit level of 6%. This would be the minimum level of profit we would expect to achieve in the absence of injury.

While this sets a floor level, in our view the level of profit needs to be significantly higher than this to fully reflect the full costs of investments, R&D and innovation needed to meet ever more challenging environmental standards and maintain competitiveness.

Appendix reference:

## E7 Return on investment (ROI)

1. Please provide the return on investment (ROI) for each of the like or directly competitive goods in **Annex 9 – Injury** for the POI and MRP.

If you are unable to report ROI for the like or directly competitive goods only, please report ROI for the segment that contains the like or directly competitive goods, and if you are unable to do this, provide ROI for the total company. Provide an explanation and reasoning for this.

Please refer to Annex 9. This information is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.

Appendix reference:

2. Please explain the method used to establish ROI of your like or directly competitive goods and substantiate with evidence.





This information is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.

Appendix reference:

3. Please explain the cause(s) of any changes regarding the ROI of your like or directly competitive goods and substantiate with evidence.

This information is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.

Appendix reference:

5. How would your ROI for the like or directly competitive goods be affected if the existing safeguard measure on the goods subject to review were:
- i) continued; or
  - ii) discontinued.
- Please describe the nature of any changes and substantiate with evidence.

If the existing safeguard measures are continued, by preventing a further surge in low-priced injurious imports, this would provide the vital breathing space to enable TSUK's profitability to recover and maintain a sustainable ROI.

If the existing safeguard measures are discontinued the ROI for TSUK is expected to decline as the returns TSUK is able to make from the production and sales of the like products will be impaired by the adverse effects of a surge in low-priced imports that would result if no measures are in place.

Please also refer to sections E1 and E2 above and to the response from UK Steel that shows how imports would increase without measures and for the need to modify the existing measures to be more effective and better reflect the reduced demand situation.

Appendix reference:

## E8 Investment and ability to raise capital

1. Please explain in the box below how your company's level of investment, ability to make investments and/or ability to raise capital have changed during the POI and MRP. Explain the allocation method used for investment. Describe the nature and cause of any changes and substantiate with supporting evidence, e.g. funding proposals, loan approvals or other relevant financial documentation.



This information is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.

Appendix reference:

2. How would your investment and ability to raise capital be affected if the existing safeguard measure on the goods subject to review were:

- i) continued; or
- ii) discontinued.

Please describe the nature of any changes and substantiate with evidence.

This information is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.

Appendix reference:

## E9 Stocks

1. Please provide end of year stocks for each of the like or directly competitive goods manufactured by your company in **Annex 9 – Injury** for the POI and MRP.

Please refer to Annex 9.

Appendix reference:

2. Please explain the cause(s) of any changes regarding the stocks and substantiate with evidence.

Stocks during the review period were in line with normal expectations. TSUK operates a very tight stock management system. The decline in stocks seen over the review period reflects efforts to bring stocks levels down,

Appendix reference:

3. How would your stocks of the like or directly competitive goods be affected if the existing safeguard measure on the goods subject to review were:

- i) continued; or
- ii) discontinued.

Please describe the nature of any changes and substantiate with evidence.

TSUK produces the like material mostly to order and operates a very tight stock management system. Therefore, an increase in imports resulting in the existing measures being discontinued is not expected to impact directly on stock levels as mitigating actions will be taken to manage stock levels.



Appendix reference:

## E10 Cash flow

1. Please provide the cash flow for each of the like or directly competitive goods in **Annex 10 – Cash flow** for the POI and MRP. Please explain the allocation method used for cash flow and substantiate with evidence.

Please refer to Annex 10.

Appendix reference:

2. Please explain the cause(s) of any changes regarding your cash flows and substantiate with evidence.

This information is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.

Appendix reference:

3. Explain any variances between your actual and forecasted budgets over the POI and MRP, with reference to your cash flow from operating activities.

This information is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.

Appendix reference:

4. How would your cash flow for the like or directly competitive goods be affected if the existing safeguard measure on the goods subject to review were:
  - i) continued; or
  - ii) discontinued.

Please describe the nature of any changes and substantiate with evidence.

If the measures were continued, by preventing a further surge in low-priced injurious imports, this would provide the vital breathing space to enable TSUK's profitability to recover helping to maintain and improve cash flow.

If the existing safeguard measures were discontinued, the level of profit would decline if sales prices are forced down to uneconomic levels due to a surge in imports of low-priced imports from the countries concerned. This would have a negative impact on cash flow.

Please also refer to sections E1 and E2 above and to the response from UK Steel that shows how imports would increase without measures and for the need to modify



the existing measures to be more effective and better reflect the reduced demand situation.

Appendix reference:

## E11 Other factors

1. In addition to the injury factors covered above, are there any other factors that show that an increase in imports of the goods subject to review has caused and/or is likely to cause serious injury to your company. Please provide the data/information here.

Please refer to the UK Steel submission.

Appendix reference:

## E12 Other questions

1. Please describe, using evidence, how the injury and/or likely injury caused by an increase in imports is considered to be 'serious'?

Please refer to the responses given in section E above on the current injury and likely further injury caused by an increase in imports. This will cause overall impairment to TSUK's operations and as such we would consider it to be serious.

Please also refer to the UK Steel submission.

Appendix reference:

2. Please comment on the likelihood of trade diversion to the UK if the existing safeguard measure were to be removed due to similar measures applied on steel goods worldwide, e.g. the US Section 232 measures and the EU safeguard measure.

If the existing safeguard measures were to be removed in the UK, but similar measures retained in other major markets, there is a very high likelihood of trade diversion to the UK. There is a particular risk for Product 1, HR coil. An antidumping investigation against imports of this product into the EU from Turkey is currently being undertaken by the EU Commission. This is expected to result in measures being applied on a provisional basis from early 2021. However, these measures would not apply in the UK. If the existing safeguard measures were not continued in the UK this would leave the UK especially vulnerable to a surge in imports of HRC from Turkey.

Please refer also to the UK Steel submission.

Appendix reference:



3. Please comment on the future position of the UK industry if the existing safeguard measure were:
- continued; or
  - discontinued.
- Substantiate with evidence.

If the measures were continued this would prevent a damaging surge in imports and provide vital 'breathing space' to allow the UK to continue to recover. In our view the existing measures should also be adjusted and their management modified to better reflect the underlying demand situation.

In contrast, if the measures were discontinued, there would be a very real risk of a renewed surge in imports, which would put the future of the UK industry in jeopardy

Please refer also the UK Steel submission.

Appendix reference:

## SECTION F: Causation

This review must examine the causal link between the increase in imports and the serious injury, or likelihood of serious injury, suffered by the UK industry. Other factors other than trends in imports that may have caused or are likely to cause serious injury must also be examined.

### F1 Link between serious injury and increase in imports

- Please comment on the link between the serious injury, or the threat of serious injury, suffered by the UK industry and the increase in imports into the UK and substantiate with evidence. The injury factors specified above can be used to explain the causal link. Please consider the following:
  - Has the increase in imports caused serious injury to the industry, or threat of serious injury, and if so why? Why has the industry not been able to adjust to the increase?
  - Have the imports coming into the UK been sold at prices lower than the like or directly competitive goods?
  - Has price undercutting of the imported goods caused you to lower the prices of the like or directly competitive goods produced by your company?
  - Has the lowering of prices for the like or directly competitive goods impacted other factors mentioned in the serious injury section such as production, market share, cash flow and investments? If so, how?



- If the industry is benefitting from existing anti-dumping or countervailing duties on specific products, how has the increase in imports developed given the existence of duties?

Please refer to Section E and the relevant data annexes for details on the serious injury suffered by TSUK. The main cause of this Injury has been the constant pressure from high levels of low-priced imports.

Please refer also to the submission from UK Steel.

Appendix reference:

2. How would the cause(s) or degree of serious injury change if the existing safeguard measure on the goods subject to review were:
  - i) continued; or
  - ii) discontinued
 Please describe the nature of any change and substantiate your claims with evidence.

If the measures were continued then this would prevent a damaging surge in imports (particularly if adjusted to reflect current market conditions) providing vital 'breathing space' to allow the UK to continue to recover.

If the existing safeguard measures on the goods no longer applied, resulting in a surge in imports, there would be an adverse impact on the level of injury.

Please also refer to the submission made by UK Steel.

Appendix reference:

## F2 Other causation factors

1. Please comment and substantiate with evidence on other factors, separate from the increase in imports, that may have caused serious injury or threaten to cause serious injury to the UK industry. This may include:
  - UK demand for the like or directly competitive goods;
  - the overall situation on the world market of the like or directly competitive goods and the demand for exports towards third countries;
  - the competitiveness of your company (including quality, efficiency and performances of your production lines) with respect to competitors;
  - the reasons and consequences of any reductions in your exports to other markets.

This list is non-exhaustive. Please add any additional information explaining the current state of the UK industry.



The main cause of injury through the review period has been the constant pressure from high levels of low-priced imports. Since 2016, uncertainty around Brexit has also had a negative impact. Most recently, since March 2020, Covid-19 has had a major impact on demand and activity levels.

Please also refer to the submission made by UK Steel.

Appendix reference:



## SECTION G: Adjustment plan

To implement a safeguard measure, UK producers are required to submit an adjustment plan. The adjustment plan should set out how UK producers of the like or directly competitive goods intend to adjust to the importation of goods in increased quantities. Support the adjustment plan with evidence. Please contact the case team if you would like to take an alternative approach, e.g. an industry-wide plan.

An adjustment plan should set out the following:

- i) How you intend to adjust to the importation of the goods subject to review in increased quantities.
- ii) Potential innovation, research and development initiatives to improve the competitiveness of your company.
- iii) Changes intended to improve efficiency, including workforce effectiveness and investing in new or different machinery.

### G1 Your company adjustment plan

1. Please explain your company's adjustment strategy in response to the increase in imports since the implementation of the EU safeguard measure on steel products. In your answer, please refer to:
  - what you intended to do to adjust to the importation of the goods subject to review in increased quantities and why these specific factors have been chosen;
  - the actions that you planned to take in order to achieve the intended changes to adjust to the importation of the goods subject to review in increased quantities; and
  - the timeframe for completing the actions.

The actions presented in the adjustment plan should cover, but are not limited to:

- changes to selling prices and/or volumes; and
- changes to costs, such as direct material costs, labour costs and manufacturing overheads (indirect expenses).

Tata Steel Europe's mission is to build the leading European steel business which is sustainable in every sense. To achieve this, TSE is following an adjustment strategy to ensure it is best placed to meet challenging market conditions, including the increase in imports seen in recent years.

TSE has made a number of structural changes to lay the foundations for a strong, fully strip focused steel company including the sale of its non-core Long Products Europe and Specialty Steels businesses. TSE has undertaken a detailed portfolio review of all its remaining businesses to assess the strategic fit and the future potential. Based on this review, TSE has begun a process of seeking buyers for





business units which supply products to niche markets, allowing the company to continue to strengthen its focus on strategic strip products and markets.

In November 2019, TSUK along with the wider TSE Group, began a group-wide transformation programme to improve the performance of the business, helping it to become more sustainable and enabling investments necessary to secure its long-term future. Improvement in performance will come from productivity improvements, reduced bureaucracy, increased sales of higher value steels and employment cost savings. The programme is needed to ensure the business can thrive despite severe market headwinds including an increase in imports which have led to a sharp decline in profitability. At the same time, it aims to secure the foundation for investments required to accelerate innovation and the company's journey towards carbon-neutral steelmaking.

A transformation is needed to mitigate the current structural and cyclical headwinds and create the foundation for the company's future success. Stagnant EU steel demand and global overcapacity have been compounded by trade conflicts which have turned the European market into a dumping ground for the world's excess steel capacity. Together with a significant increase in the cost of emission allowances, this has created an urgent need for improvements to the company's financial performance.

Across the wider TSE Group there is a focus on simplifying the corporate structure by reducing the number of separate legal entities. This is intended to reduce costs, reduce complexity, aid in transparency and improve corporate governance. TSUK has fully engaged in this corporate simplification exercise and 54 of its direct and indirect subsidiaries were placed into voluntary liquidation or dissolved during the year.

As part of its adjustment strategy TSE has continued to explore strategic partnerships. In June 2018, TSE signed definitive agreements with thyssenkrupp AG to combine their European Steel business into a 50:50 joint venture but the JV activities were suspended in May 2019 once it became clear that the JV would not receive merger control approval from the EC.

More recently, in November 2020, Tata Steel announced that its UK and Netherlands operations will split. This process is underway with a target to achieve separation before the end of the current financial year. In parallel, Swedish steelmaker SSAB is in discussions over the potential acquisition of the Tata Steel IJmuiden business in the Netherlands and related downstream assets. TSUK and its subsidiaries will continue to operate as a separate, 'self-sustaining' business.

Appendix reference:

2. Please explain how and when the actions described in question G1.1 (above) have been completed. Indicate whether and how these actions have affected:
  - selling prices and/or volumes; and
  - costs, such as direct material costs, labour costs and manufacturing overheads (indirect expenses).



If you have been unable to complete any of the actions from your initial plan, please explain the reasoning for this and the impact this has had on the adjustment of your business.

Please refer to G1-1 above. The transformation programme noted above is continuing. The transformation aims to improve the company's run-rate EBITDA to £750 million by March 2021 (equal to about 10% EBITDA margin). About three-quarters of the performance uplift will come from productivity improvements, reduced bureaucracy and increased sales of higher-value steels, with employment cost savings making up the remainder.

Appendix reference:

3. Please explain your company's adjustment strategy to the increase in imports if the implementation of the safeguard measure is extended. In your answer, please refer to:

- what you intend to do to adjust to the importation of the goods subject to review in increased quantities and why these specific factors have been chosen;
- the actions that you plan to take in order to achieve the intended changes to adjust to the importation of the goods subject to review in increased quantities; and
- the timeframe for completing the actions.

The actions presented in the adjustment plan should cover, but are not limited to:

- changes to selling prices and/or volumes; and
- changes to costs, such as direct material costs, labour costs and manufacturing overheads (indirect expenses).

Where possible, please provide evidence, including from past experience where possible, of how the adjustment plan can be delivered given the nature of your business, the competitive environment and the expected timeframe for completion. If you have previously made similar adjustments to your business, such as cutting costs, this would be suitable to evidence whether the actions set out in the plan can be reasonably achieved.

If the existing safeguard measures are continued, by preventing a further surge in low-priced injurious imports, this would provide vital breathing space to enable TSUK to achieve the sustainable returns needed for it to remain viable, especially as it becomes a stand-alone business following the split with the TSE Netherlands business. This would enable TSUK to continue its adjustment strategy, notably the performance improvements foreseen in the transformation programme.

If the existing safeguard measures were discontinued, TSUK's returns would decline if sales prices are forced down to uneconomic levels due to a surge in imports of low-priced imports from the countries concerned. This would undermine the benefits



being achieved under its adjustment strategy, and from the transformation programme in particular, putting TSUK's future viability into doubt.

Appendix reference:



## SECTION H: Economic interest

### H1 UK economic interest

The Economic Interest Test assesses the economic impact of a measure compared to what would happen if it was not maintained. There are six factors which TRID must consider as part of the economic interest test:

- i) The serious injury caused by the importation of goods in increased quantities to UK producers of those goods and the benefits to that industry in removing the injury.
- ii) The economic significance of affected industries and consumers in the UK.
- iii) The likely impact on affected industries and consumers in the UK.
- iv) The likely impact on particular geographic areas, or particular groups, in the UK.
- v) The likely consequences for the competitive environment and for the structure of markets for goods in the UK.
- vi) Other matters that TRID consider relevant.

The questions in this section will contribute to this assessment. **For questions in this section please provide information broken down by each of your company's sites/facilities, where relevant and possible. The data should cover January 2019 – June 2020 to allow for an assessment of the current economic situation and how it may develop.**

1. Please provide an overview of your supply chain for the like or directly competitive goods, from raw materials through to final customers. Where possible, please describe the number, location and size of companies at each stage.

TSUK produces steel at its Port Talbot site using the basic oxygen steelmaking method (BOF). The key raw material inputs are iron ore and coal/coke. Iron is produced in a blast furnace then converted into steel in a basic oxygen furnace. The liquid steel produced is first cast into slabs then rolled into hot rolled coil, some of which is sold as is, but the majority is used to provide the feedstock, through further processing, for other downstream products. In relation to this review, hot rolled coil provides the main input for the manufacture of Products 2,3,4A,4B,5,6, 20,21 and 26. This means that all these products are intrinsically linked - any changes to one of these products will impact on the others too.

The like goods are used in wide variety of different end-use applications, with the products manufactured by TSUK providing a vital foundation for many of the UK's key strategic supply chains. Key sectors for TSUK are Automotive, construction and packaging which together represent some 75% of sales.



Sales are made either to the steel end user (the producer of finished goods that consume these steel products), or to intermediate service centres that cut the supplied steel products to length, slit the steel coils from wide to narrow coils or simply redistribute smaller quantities ex-stock.

Appendix reference:

2. Please provide a breakdown by location for the employment figures provided in **Section E**. How would employment figures in certain locations be affected if the existing safeguard measure on the goods subject to review were:
- i) continued; or
  - ii) discontinued.

Please substantiate your claims with evidence. Where possible, please provide estimates (e.g. projections or forecasts) for both scenarios for the next three years and explain the method used to calculate them.

Tata Steel UK provides some 8,500 well paid skilled jobs in economically disadvantaged areas, with the highest number of jobs being in South Wales, Corby and the West Midlands.

If the measures were continued, this would help to ensure TSUK is able to retain as many of these important jobs as possible.

Conversely, these jobs would be put at risk if the safeguard measures no longer applied as TSUK would be at risk from a surge in low-priced imports of the like goods.

In addition to the risk to these direct jobs, there is a multiplier effect with each TSUK job supporting a number of other jobs, both in the supply chain and the wider local community e.g. shops, other local businesses etc. Each TSUK job is estimated to support at least 2 other jobs.

Appendix reference:

3. Please provide a breakdown by location for the wages provided in **Section E**. If you are unable to provide median wages, please provide mean wages. How would wages in certain locations be affected if the existing safeguard measure on the goods subject to review were:
- i) continued; or
  - ii) discontinued.

Please substantiate your claims with evidence. Where possible, please provide estimates (e.g. projections or forecasts) for both scenarios for the next three years and explain the method used to calculate them.

Tata Steel UK provides well paid skilled jobs in economically disadvantaged areas. Average wages in Tata are well above the national wage levels, and are even higher locally.



If the measures were continued, this would help to ensure TSUK is able to retain as many of these important jobs as possible.

Conversely, these wages and the jobs themselves would be put under pressure if the existing antidumping measures no longer applied as TSUK would be at risk from a surge in low-priced imports of like goods from the countries concerned.

Appendix reference:

4. If known, what fraction of domestic demand for the like or directly competitive goods (by volume) does your company supply? How would your market share be affected if the existing safeguard measure were:

- i) continued; or
- ii) discontinued.

Please substantiate your claims with evidence. Where possible, please provide estimates (e.g. projections or forecasts) for both scenarios for the next three years and explain the method used to calculate them.

This information is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.

Appendix reference:

5. Please comment on how significant production of the like or directly competitive goods is in relation to your company's entire UK production.

The like goods represent the bulk of total production of TSUK. Please refer also to the submission made by UK Steel.

Appendix reference:

6. Please comment on any related industries that might be affected if the existing safeguard measure on the goods subject to review were to be removed. Please consider in particular:
- upstream industries – those who produce inputs needed for the like or directly competitive goods and/or goods subject to review; and
  - downstream industries – those who purchase the like or directly competitive goods and/or goods subject to review.

In relation to the like products produced by TSUK, we consider the upstream industry to be the producers of HR steel coil, from which all TSUK like products are derived. For TSUK, this is sourced in-house, being produced at the Port Talbot site. This site would be adversely affected if the existing measures were not continued. If measures were not continued this would increase the risk of a surge in uneconomically priced imports, forcing TSUK to cut product costs in order to compete and survive in this market. Ultimately, TSUK may be forced to further cut production and close lines which will have a clearly detrimental effect on the upstream supply chain. As a major



outlet for HR coil from the Port Talbot site, if downstream product sites were to close this would leave a huge gap in Port Talbot's production schedule which would impact on the viability of that site also.

For stockists, distributors and other intermediaries, the continuation of safeguard measures would have a negligible impact. The measures are not intended to restrict imports but rather prevent injurious surges, enabling traditional trade flows to continue. Also there is under-utilised capacity from TSUK and other UK producers. Such intermediary parties have been dealing with these existing measures with no ill-effects and without the market suffering any shortage whatsoever. Were the measures to be terminated, this would create disruption and uncertainty in the market, with the only beneficiaries likely to be opportunists out to make a 'quick-buck' without any regard to the longer-term consequences for the market.

Appendix reference:

7. Would any other industries would be affected if the existing safeguard measure on the goods subject to review were:

- i) continued; or
- ii) discontinued.

Please substantiate your claims with evidence.

Other industries which may be affected by the steel safeguards would be those whose business is closely linked to UK steel production. Not continuing the existing safeguard measures would harm UK steel production and therefore would also harm these other industries.

Please also refer to the submission made by UK Steel

Appendix reference:

8. Please comment on which other markets or products would be affected if the existing safeguard measure on the goods subject to review were:

- i) continued; or
- ii) discontinued.

This could include substitute products (such as margarine for butter) or complementary products (such as printers and ink). Please substantiate your claims with evidence.

Other products and markets which could be affected by the steel safeguards would be complementary products closely linked to UK steel products. Not continuing the existing safeguard measures would harm UK steel production and therefore would also be harmful for these other products and markets.

Appendix reference:





9. Please describe how you would expect the following to be affected if the existing safeguard measure on the goods subject to review were (i) continued or (ii) discontinued:
- market price of the like or directly competitive goods in the UK; and
  - total UK output of the like or directly competitive goods.
- Where possible, please provide estimates (e.g. projections or forecasts) for both scenarios for the next three years to support your claims.

If the measures were continued this would provide vital breathing space for the UK market to continue its recovery. This would have a positive steadying impact on both market price and total UK output of the like goods.

Conversely if the existing safeguard measures no longer applied the following impacts could be expected:

- market price of the like goods in the UK  
this could drop to uneconomic levels due to impact of a surge in low-priced imports as UK becomes target for exporters.
- total UK output of the like goods;  
would reduce if production was no longer economically viable due to increased low-priced imports

Please also refer to the submission made by UK Steel

Appendix reference:

10. Please describe how you would expect the following to be affected if the existing safeguard measure on the goods subject to review were (i) continued or (ii) discontinued:
- total imports of the goods subject to review to the UK; and
  - total exports from the UK.
- Where possible, please provide estimates (e.g. projections or forecasts) for both scenarios for the next three years to support your claims.

If the existing safeguard measures were continued the following impacts could be expected

- total imports of the goods subject to review to the UK;  
would remain at an increased level but injurious surges would be prevented. In our view the existing measures should also be adjusted, and their management modified to be made more effective and better reflect the reduced demand situation.
- total exports from the UK.  
No significant change expected.

If the existing safeguard measures no longer applied the following impacts could be expected

- total imports of the goods subject to review to the UK;





would increase due to the removal of measures and resultant surge in low-priced imports.

- total exports from the UK.

some initial increases may be seen as UK producers seek alternative markets to the UK, but this is unlikely to be sustainable, particularly if other markets remain subject to safeguards and other controls. Typically, such export sales would also provide lower returns than domestic UK sales leading to a drop in revenues.

Please also refer to the submission made by UK Steel

Appendix reference:

11. To what extent would you expect any increase in costs for the goods subject to review to be passed onto end users? Please support your answer with evidence.

For end-users and consumers, the continuation of safeguard measures will help to ensure they have a long-term and reliable source of local supply. There is no evidence that the measures have resulted in any reduction in demand or impact on employment in these end-user industries.

Appendix reference:

12. How would plans for future UK investment or expansion be affected if the existing safeguard measure of the goods subject to review were:

- continued; or
- discontinued.

If so, please provide detail by location with supporting evidence.

This information is by its nature commercially confidential and would harm TSUK's commercial interests if revealed to its competitors. It is not possible to provide a meaningful summary without revealing sensitive information.

Appendix reference:

13. As a public body, TRID has an obligation under the *Equality Act 2010* to ensure that the possible effects of its activities on different people are considered. This Public Sector Equality Duty covers the following protected characteristics:

- age,
- disability,
- gender reassignment,
- marriage or civil partnership,
- pregnancy and maternity,
- race,
- religion or belief,
- sex, and
- sexual orientation.



If you have any information that could assist us in our consideration of whether the continuation of the existing safeguard measure might disproportionately affect any of these groups, please provide it in the box below.

N/a.

Appendix reference:

14. In terms of the competitive environment and structure of markets for goods in the UK, please answer the following questions in relation to how the continuation of the existing safeguard measure could impact:
- the number and range of suppliers of like or directly competitive goods and/or goods subject to review;
  - the ability of suppliers of like or directly competitive goods and/or goods subject to review to compete;
  - the incentives for suppliers of like or directly competitive goods and/or goods subject to review to compete vigorously; and
  - the choices and information available to UK consumers?
- Specify by relevant product categories. Please provide evidence to support your answer.

If the safeguard measures were continued this is not expected to have any negative impact on the competitive market environment or structure of markets for the like goods in the UK. Having effective safeguard measures in place to prevent a further surge in imports will enable the UK industry to continue its recovery, thus ensuring the viability of quality local suppliers like TSUK and avoid UK consumers becoming reliant on distant third country suppliers.

- the range of suppliers of this type of goods in the UK.

Will be maintained or increased. Having effective safeguard measures will prevent TSUK and other quality suppliers from being forced out of the market due to a surge in low-priced imports.

- the ability of suppliers to compete in this market,

Will be enhanced. Otherwise, a further surge in low-priced imports which would result if the safeguard measures were not extended, would force TSUK and other quality suppliers to reduce prices to uneconomic and unsustainable levels in order to maintain sales against unfairly traded low-priced imports.

- the incentives of suppliers to compete vigorously,

The UK market for the like goods is already very competitive and will remain so. Without effective safeguard measures in place, a surge in low-priced imports is likely to push TSUK and other quality suppliers out of the market. TSUK's past and present investments in productivity, quality and mindset of continuous improvement, give us confidence that, given a fair competitive environment, which continuing the measures



would help to maintain, we can maintain our current activity levels, helping to ensure that consumers continue to have a local, reliable and competitive source of supply.

- consumers' choices and available information.

Will be maintained or enhanced by ensuring TSUK and other quality producers are not forced out of the market by a surge in low-priced imports and are able to continue to supply the UK market.

Appendix reference:

15. Please describe the nature and degree of any regional impacts that you would expect if the existing safeguard measure on the goods subject to review were:

- continued; or
- discontinued.

Please substantiate your claims with evidence.

If the safeguard measures no longer applied this would put in jeopardy not only individual production sites but the future viability of TSUK itself. If TSUK is forced to further reduce its operations, this would have a significant regional economic impact on those areas where TSUK's operations are concentrated, including in already economically disadvantaged areas of South Wales, Corby and the West Midlands.

Appendix reference:

16. If there are any additional economic factors that you consider to be relevant for the Economic Interest Test in this review, please provide details here and any supporting evidence.

Please refer to the submission made by UK Steel.

Appendix reference:



## SECTION I: Next steps and declaration

### Next steps

Once you have completed all parts of the questionnaire, the declaration below should be signed by an authorised signatory.

The questionnaire, spreadsheet annex and any appendices should be submitted through the Trade Remedies Service ([www.trade-remedies.service.gov.uk](http://www.trade-remedies.service.gov.uk)) by 28 November 2020. The checklist in Section J of this questionnaire may help ensure your submission is complete.

A confidential and non-confidential version of the questionnaire and related annex must be submitted. You can find guidance on how to complete confidential and non-confidential versions at <https://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#how-we-handle-confidential-information>.

### Declaration

By signing this declaration, you agree that all information supplied in this questionnaire is complete and correct to the best of your knowledge and belief and understand that the information submitted may be subject to authentication by TRID.

Internal registration number:  
Company name:

10 December 2020

[Personal data redacted]

Date

Due to Covid-19 restrictions it is not possible to physically stamp this submission.

Signature of authorised signatory

I confirm that I have the authority to submit this application for and on behalf of  
Tata Steel UK Limited.

[Personal data redacted]

Company stamp

Name and title of authorised signatory



## SECTION J: Checklist and appendices

This section is an aid to ensure that you have completed all sections of this questionnaire.

Section	Please tick if you have responded to all questions
Section A – Company structure and operations	X
Section B – Goods	X
Section C – Increase in imports	X
Section D – Costs and sales	X
Section E – Serious injury	X
Section F – Causation	X
Section G – Adjustment plan	X
Section H – Economic interest	X
Section I – Next steps and declaration	X

Please list any appendices that you have referenced throughout and are attaching along with this questionnaire.

Appendix reference	Document title
A2-2.1	TSUK Organisation OPEN
A2-2.2	Simplified Legal Structure OPEN
A3-2.1	Current TSUK WR & OA
A3-2.2	TSUK Certificate of Incorporation
A5-3.1	TSUK to March 2013
A5-3.2	TSUK to March 2014
A5-3.3	TSUK to March 2015
A5-3.4	TSUK to March 2016
A5-3.5	TSUK to March 2017
A5-3.6	TSUK to March 2018
A5-3.7	TSUK to March 2019
A5-3.8	TSUK to March 2020
A5-7.1	TSE to March 2018
A5-7.2	TSE to March 2019
A5-7.3	TSE to March 2020
B2-14	Eurofer economic report Quarter 3 2020



Department for  
International Trade

Trade Remedies Investigations Directorate

☐ Confidential

☒ Non-Confidential

+Add additional rows as required